

ID: CCA_2010021715482837

Number: **201012039**

Office:

Release Date: 3/26/2010

UILC: 6231.03-00

From:

Sent: Wednesday, February 17, 2010 3:48:32 PM

To:

Cc:

Subject: RE: Does adjusting an item of a non-partner which flowed from a Partnership that would be subject to TEFRA require a TEFRA proceeding?

You should conduct duplicate TEFRA non-TEFRA proceedings. In the absence of a short year partnership return, the taxpayers will be treated as parties for a TEFRA proceeding for the entire taxable year. As such, the government will be bound by how the partnership treated the credits for both the period before the partner redeemed its interest and the period after it redeemed its interest, unless we conduct a TEFRA proceeding to redetermine the amounts and treatment by the partnership.